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March 26, 2012

VIA OVERNIGHT DELIVERY

Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007
(602) 542-2237

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AZ CORP COMMISSION
DOCKET CONTROL
2012 MAR 27 PM 1 00

Re: Unite Private Networks, L.L.C.
Docket No. T-20534A-07-0346

Dear Sir/Madam:

Enclosed please find for filing an original and thirteen (13) copies of Unite Private Networks, L.L.C.'s ("UPN") responses to the Commission's Third Set of Data Requests to Unite Private Networks, L.L.C.'s Application and Petition for Certificate of Public Convenience and Necessity.

I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self-addressed, postage prepaid envelope.

If you have any questions or if I may provide you with additional information, please do not hesitate to contact me.

Respectfully submitted,


Lance J.M. Steinhart
Attorney for Unite Private Networks, L.L.C.


cc: Kevin Anderson

John F. Bostwick, Utilities Division/Via e-mail to: jbostwick@cc.state.az.us

Arizona Corporation Commission

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**ARIZONA CORPORATION COMMISSION
STAFF'S SECOND SET OF DATA REQUESTS TO
UNITE PRIVATE NETWORKS, L.L.C. ("UPN")
Docket No. T-20534A-07-0346
March 26, 2012**

JFB3-1. Your response to (A-15) states that you "...will not collect advances, prepayments or deposits..." In your revised tariff on Original Sheet 15, Item No. 11, it states that the Applicant "...does not collect deposits." Please revise the language on Original Sheet 15, Item No. 11 in your proposed tariff to agree with your response to (A-15) and forward a copy of the revised Original Sheet 15 to Staff.

RESPONSE: Please see updated Original Sheet 15 to its Arizona Tariff No. 1 attached.

All Contacts Providing Information/Response for the above question:

Kevin Anderson, CEO
950 W. 92 Hwy, Suite 203, Kearney, MO 64060
E-Mail: kevin.anderson@upnllc.com
Telephone Number: (816) 216-1868

10. SERVICE OFFERINGS

The Company will provide point-to-point and point-to-multipoint, Private Line Services connecting a Customer's or User's locations to one another.

11. DEPOSITS

The Company does not collect advances, prepayments or deposits.

12. RETURNED CHECK CHARGE

The Company does not collect a return check charge.

13. SPECIAL CHARGES

- A. Out-of-Normal Work Hours: The charges specified in this Section 12 do not contemplate work being performed by Company employees at a time when overtime wages apply, due to the request of the Customer, nor do they contemplate work once begun being interrupted by the Customer. If the Customer requests labor be performed at hours of the day or days of the week other than during normal working hours or days (8:00 a.m. to 4:30 p.m., Monday through Friday), or during holidays, or if the Customer interrupts work once begun, an additional charge may be imposed, equal to the actual higher costs incurred by the Company for overtime and materials.
- B. Maintenance and Service Charge: The Customer may be responsible for the cost incurred by the Company in connection with a maintenance and/or service visit to the Customer's or User's Premises when the difficulty or trouble results from the equipment or Facilities provided by the Customer or User, or when failure in the Company's equipment or Facilities is attributable to the Customer or User or their agents. Said cost shall be based upon the current labor rate and material costs of the Company in effect at the time of the visits.

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JFB3-2.

In the updated Application, your response to question (A-19) states that the "Applicant currently provides telecommunications services in Arizona..." Please note that this quoted phrase or words similar appeared in the "Joint Domestic Application for Streamlined Consent to Transfer of Control of UPN and UPNI to UPN Holdings" on Page 12 that was filed with a cover letter and sent to the Federal Communications Commission ("FCC") by Legal Counsel on September 7, 2010. Also on Page 12, it states in parenthesis that "No formal CCN authorization is required in Arizona..." In addition, an FCC Public Notice released on September 24, 2010 stated under WC Docket No. 10-186, that "UPN provides competitive local exchange carrier (LEC) and interexchange services in Arizona..." Please explain how these inaccurate quoted statements related to Arizona were determined and appear in the updated Application, Page 12 of the FCC filing of September 7, 2010, and the FCC Public Notice document.

RESPONSE: Prior to filing its Application with the Commission, Arizona Corporation Commission advised Applicant that it was not sure if UPN needed a CLEC authorization to provide data-only private network services. UPN currently provides a fiber network for the Page Arizona School District, providing only internal data connection services between District Facilities. The network does not connect to the PSTN, nor does it connect to any other carrier's network. UPN would like to provide similar services to other school districts in the future. UPN does not anticipate ever providing any voice services or any sort of local exchange or interexchange services. No residential services whatsoever. Services are only provided under long-term contracts. Data only services. Only Page Schools right now.

The intent of the FCC application and the Arizona application is to disclose to the Commission the Applicant provides services in Arizona, although Applicant is not sure if such services are regulated by the Arizona Corporation Commission. At the time of filing the FCC application, UPN provided "high capacity fiber-optic networks to schools..." in Arizona, and it was Applicant's belief that these services were not regulated by Arizona.

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JFB3-3. In the updated Application, your response to question (A-20) states that the Applicant does not have affiliates. However, in part of your response to (A-19), you indicated that the Applicant has an affiliate, Unite Private Networks-Illinois, L.L.C. Please list the names and addresses of all affiliates of the Applicant as requested by question (A-20).

**RESPONSE: Unite Private Networks-Illinois, L.L.C.
950 W. 92 Hwy, Suite 203, Kearney, MO 64060
Telephone Number: (816) 216-1868**

Unite Private Networks-Illinois, L.L.C. provides service only in Illinois.

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JFB3-4. In the updated Application, your response to question (B-3) states "Not Applicable." UPN was acquired by another entity that has financial resources. Therefore, UPN has a parent Company with financial resources that maybe relied upon. Please provide the name of the UPN's Parent Company whose financial resources that maybe relied upon by UPN. In the alternative, please explain the reason(s) UPN will not rely on the financial resources of its Parent Company.

RESPONSE: UPN supplied its parent company financials under its Second Data Request submission.

Applicant has also entered into a Protective Order for financial information dated November 17, 2011 with the Arizona Corporation Commission. Confidential Information has been submitted directly to John Bostwick, Administrative Service Officer via e-mail to JBostwick@azcc.gov on November 23, 2011. Applicant understands that the equity, assets and net income figures will be listed in the staff report.

Please see attached updated Page 7 to its Application.

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(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

Note: Make sure "most recent years" includes current calendar year or current year reporting period.

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

Applicant will rely on the financial resources of its Parent Company.

(B-4) The Applicant must provide the following information.

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.
2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.
3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.
4. If the projected value of all assets is zero, please specifically state this in your response.
5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

See "Attachment A"

C. RESOLD AND/OR FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

(C-1) Indicate if the Applicant has a resale agreement in operation,

☐ Yes

☒ No

If "Yes", please reference the resale agreement by Commission Docket Number or Commission Decision Number.

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Docket No. T-20534A-07-0346
March 26, 2012**

JFB3-5. In your revised tariff, you provided rates and charges on Page 21 and 25. You did not provide actual tariff pages and an analysis of your rates and charges to those charged by Qwest, Cox and two other competitors in Arizona as requested in Staff's Data Request JFB2-11. Please answer all of the concerns, provide actual tariff pages and an analysis of your rates and charges to those charged by other competitors in Arizona as requested in Staff's Data Request JFB2-11. In the alternative, please explain the reason(s) you are unable answer all of the concerns, provide actual tariff pages and an analysis of your rates and charges to those charged by other competitors in Arizona.

RESPONSE: UPN is unable to do a cost comparison due to different variables associated with private-line services. Each city and county reflects different rules and ordinances that dictate the overall charges.

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JFB3-6. In your revised tariff, you provided rates and charges on Page 21 and 25. You did not provide actual tariff pages and an analysis of rates and charges that you or your affiliate will charge for similar services in the other states/jurisdictions as requested in Staff's Data Request JFB2-12. Please answer all of the concerns, provide actual tariff pages and an analysis of your rates and charges that you or your affiliate will charge for similar services in the other states/jurisdictions as requested in Staff's Data Request JFB2-12. In the alternative, please explain the reason(s) you are unable to answer all of the concerns, provide actual tariff pages and an analysis of your rates and charges that you or your affiliate will charge for similar services in the other states/jurisdictions.

RESPONSE: UPN is unable to do a cost comparison due to different variables associated with private-line services. Each state, city and county reflects different rules and ordinances that dictate the overall charges.

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Docket No. T-20534A-07-0346
March 26, 2012**

JFB3-7. Aside from the three financial figures, Staff would like to have permission to use material from your UPN Intermediate Holdings LLC Consolidated Financial Statements and Auditors' Report of December 31, 2010. Staff would like to refer to Note 1 – Description of Business and quote the first paragraph on Page 9 of Note 1. In addition, Staff would like to refer to Note 3 – Business Combination and quote the first two sentences of the first paragraph on Page 12 of Note 3.

RESPONSE: UPN supplied its referenced parent company financials under its Second Data Request submission.

Applicant has also entered into a Protective Order for financial information dated November 17, 2011 with the Arizona Corporation Commission. Confidential Information has been submitted directly to John Bostwick, Administrative Service Officer via e-mail to JBostwick@azcc.gov on November 23, 2011. Applicant understands that the equity, assets and net income figures will be listed in the staff report.

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JFB3-8. If you have any questions in providing information for the Application and/or answering Staff's data requests, please contact Staff by telephone at 602-542-0856.

RESPONSE: Not applicable.

All Contacts Providing Information/Response for the above question:

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March 26, 2012**

JFB3-9. Submit a PDF file of your responses to this data request to JBostwick@acc.gov.

RESPONSE: A complete PDF copy of this data request has been submitted to JBostwick@azcc.gov on March 26, 2012.

All Contacts Providing Information/Response for the above question:

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Docket No. T-20534A-07-0346
March 26, 2012**

JFB3-10. Please confirm that Unite Private Networks, LLC will be providing facilities-based long distance and facilities-based local exchange private line services to end users of DS3 level or above.

RESPONSE: Unite Private Networks, LLC will provide facilities-based private line services to end users of DS3 level or above.

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